Congressional Closeup by Carl Osgood

Senate Panel Votes To Overthrow Mugabe

On June 7, the Senate Foreign Relations Committee voted unanimously for a bill that essentially calls for the government of Zimbabwe to be overthrown. Bill Frist (R-Tenn.), who introduced the bill the day before, alleged that Zimbabwe President Robert Mugabe is orchestrating the invasions of white-owned farms in order "to disguise behind the veil of a racial drama his relentless attack on the democratic institutions and rule of law in Zimbabwe."

The bill places responsibility for the crisis in Zimbabwe entirely on President Mugabe, and claims that Zimbabwe's involvement in the war in the Democratic Republic of the Congo is only exacerbating the crisis there. The bill prohibits U.S. bilateral assistance to Zimbabwe, and sets conditions respecting democracy and land reforms for resuming such aid. It also withholds U.S. support for debt relief unless the conditions for resuming U.S. aid are met.

However, the bill makes no mention of British manipulations to destabilize the country (see our interview with Zimbabwe Ambassador Dr. Simbi V. Mubako, *EIR,* June 16), or even of the fact that Zimbabwean troops in the Congo were invited in, to oppose the invaders from Rwanda and Uganda.

Frist made clear that the intent of his bill is the overthrow of Mugabe. He declared that the best chance to resolve the crisis is "through support for the democratic forces challenging a leader whose increasingly destructive acts imperil the continent." Foreign Relations Committee Chairman Jesse Helms (R-N.C.) was even more blunt. "Mugabe's departure from power is long overdue," he said in June 8 statement, "and it is my sincere hope that this legislation will contribute to hastening that."

Estate Tax Repeal by House Favors the Rich

The GOP agenda prevailed again on June 9 when the House voted 279-136 to repeal the estate tax, which the Republicans have been calling "the death tax." The bill would phase out the tax over ten years, by decreasing the top rate, currently 55%, until it reaches zero in 2010. The Republicans argue that it is necessary to eliminate the tax to make it easier for farmers and small business owners to pass their estates on to their children when they die.

Democrats who opposed the bill made hay out of the fact that it would directly benefit very few people, about 2% of those who die each year. The present estate tax only affects estates over $675,000, and there are additional exemptions for small businesses and farms that bring that figure up to $1.3 million. The tax is payable over ten years. Of those estates that do pay the tax, about 50% of the total estate tax revenue in 1998 was paid by fewer than 3,000 estates, out of less than 48,000 that were subject to the tax. Those 3,000 represented estates each valued at $5 million or more. This fact led John Olver (D-Mass.) to label the bill "the Billionaire Protection Bill."

Democrats argued that problems in the estate tax law could be fixed without repealing the tax as a whole. They offered a substitute that would have almost completely exempted family farms and small businesses, by increasing the small business exemption from $1.3 million to $2 million and closing some loopholes. The result, said Ben Cardin (D-Md.), would have been a bill that cost $22 billion over ten years, instead of the GOP version which cost $105 billion over ten years and $50 billion a year thereafter. The Democratic substitute was defeated by a vote of 222-196.

President Clinton has threatened to veto the GOP bill. However, about 65 Democrats voted for it, meaning that a veto might be overridden.

Medicare Prescription Drug Plan Offered by GOP

On June 13, Bill Thomas (R-Calif.), the chairman of the Health Subcommittee of the House Ways and Means Committee, presented the GOP's Medicare prescription drug benefit program, which he hopes to have marked up by the full committee within a week. Thomas told reporters that the plan would be both voluntary and universal because "it is the government's responsibility to make sure that every senior in the United States gets the ability to avail themselves of this program."

The proposal is built around the $40 billion allotment that the GOP leadership provided in this year's budget resolution. Thomas claimed that that money is available "from savings that we've already accrued from Medicare" reforms. The program would create a Medicare Benefits Administrator whose responsibility would be to ensure "that benefits are structured and delivered, especially those benefits that require a degree of negotiation and competition." The program would be structured along the lines of private insurance industry risk-spreading models, including the selling of risk in the credit markets.

President Clinton criticized the GOP plan. "We need a bottom-line, simple, and straightforward plan that all seniors have a chance to buy into," he said. He said that his budget proposal provides for that, and warned that the GOP proposal "relies on a private insurance model that has already failed rural America." Instead, "We ought to ensure that any plan benefits the people who need prescription drugs as much as it benefits the companies which sell the drugs."

Some members of the House Democratic Caucus support the GOP plan. Two Democrats, Ralph Hall (Tex.) and Collin C. Peterson (Minn.), accompanied Thomas when he presented his plan to the media. Thomas praised both of them for their support despite pressure from the Democratic leadership. Hall said, "I am here because I want a bill, and I want a bill this year."

Defense Bill Threatened With 'Blue Slip'

On June 8, Sen. John McCain (R-Ariz.) succeeded in adding to the fiscal 2001 Defense Authorization bill an amendment to require that political organizations operating under section 527 of the tax code be required to disclose the names of their contributors. McCain warned that these organizations are operating under a recently discovered loophole in the tax code which allows them "to fund their election work with undisclosed and unlimited contributions at the same time as they claim exemption from both Federal taxation and the Federal election laws."

While he had the support of Democrats, McCain was immediately blasted by several of his fellow Republicans, not over the issue of campaign finance per se, but rather his tactic of attaching it to the Defense bill. Armed Services Committee Chairman John Warner (R-Va.) warned that McCain's amendment could "torpedo this bill and send it to the bottom of the sea where only Davy Jones could resurrect it." The issue Warner raised was McCain's attaching of a provision affecting the tax code to an authorization bill. He warned that the House could exercise its Constitutional prerogative as the originating chamber for tax bills and kill the bill by using a parliamentary procedure known as the "blue slip."

McCain said that the amendment "in no way raises any revenue nor does it change in any way the amount of revenue collected by the Treasury." McCain asked unanimous consent to make the amendment in order on the next appropriate piece of legislation, to which Warner objected. McCain called Warner's objection "a defense of a corrupt system which has made a mockery of existing campaign finance laws, which has caused Americans to become alienated from the system."

Majority Leader Trent Lott (R-Miss.) raised a point of order that the amendment was a Constitutional violation, but it was defeated by a vote of 57-42. Lott later said that everybody involved, including McCain and Minority Leader Tom Daschle (D-S.D.), all agreed that it would be better to get the disclosure amendment off the Defense Authorization bill and onto some other legislative vehicle.

Veto Threat Remoralizes Bankruptcy Bill Opponents

On June 9, President Clinton sent a letter to Democratic and Republican leaders of both Houses warning that the negotiations on the bankruptcy reform bill were making a wrong turn. Among his concerns were that the bill may not "adequately" address the problem of wealthy debtors who abuse the homestead exemption to shield assests from creditors, may weaken credit card disclosure provisions, may eliminate protections for reasonable retirement pensions, and may include provisions protecting abusive debt collection practices on bounced checks. "I sincerely hope," Clinton wrote, "that balanced bankruptcy reform will be completed this year, but I will not hesitate to veto unfair legislation that fails the test of balance."

Sen. Pat Leahy (D-Vt.), one of the negotiators, said, "The President's criticisms of the bill are constructive, they are right on the merits, and they come at a critical time in the negotiations."

The bill, which is strongly backed by the banking industry, passed by wide margins in both Houses, but some Democrats may be re-thinking their support. Sen. Paul Wellstone (D-Minn.) and Rep. Jerrold Nadler (D-N.Y.), both strong opponents of the bill, welcomed the President's letter. In a June 13 press conference, Wellstone said, "This is a much stronger letter than we've seen before and we're very pleased about this." He noted that the President pointed out that "we must also ensure that a reasonable fresh start is available for those who turn to bankruptcy as a last resort when facing divorce, unemployment, illness, and uninsured medical bills." He endorsed Clinton's concern about abuse by wealthy debtors. "It would be a little outrageous," he said, "if while you're taking away a basic safety net for middle-income people, you're allowing people to shield several million dollars for a home that they own in Texas, Florida, or wherever."

However, it's still an uphill fight to stop the bill.